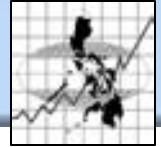


Defining Estate Development



ESTATE DEVELOPMENT PLANNING

Notes 1

Development Investment Management



The form of estate development of an area is highly dependent on its resources and capability.

Estate Development: Establishing the Scope for LGUs

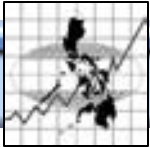
Estate development has been widely used throughout the world as an instrument to encourage more investment activities and facilitate the dispersal of industries, particularly in the rural areas. In the Philippines, with majority of the poor populace living in the countryside, estate development is aimed at generating employment and providing the impetus for community-based development. Until recently, estate development focused only on industrial development. It was used as a strategy for the country to attain newly industrializing country status. Growth areas in the regions were identified to serve as centers outside the National Capital Region from which industries were expected to disperse to surrounding communities and consequently create more economic and employment opportunities in the countryside.

Localizing this national initiative, local government units (LGUs) by virtue of the Local Government Code of 1991 initiated regional and area specific investment promotion activities geared toward industrial development. The results are different regional experiences on industrial development which have widened the scope of estate development from just the industrial type to a more resource-based type of development. Today, agri-industrial, tourist and recreational, science and technology centers are examples of the different permutations of estate development in the country.

The challenge now for LGUs is to increase their knowledge and understanding of estate development and consequently enhance their capability to choose the development path most appropriate to their locality.

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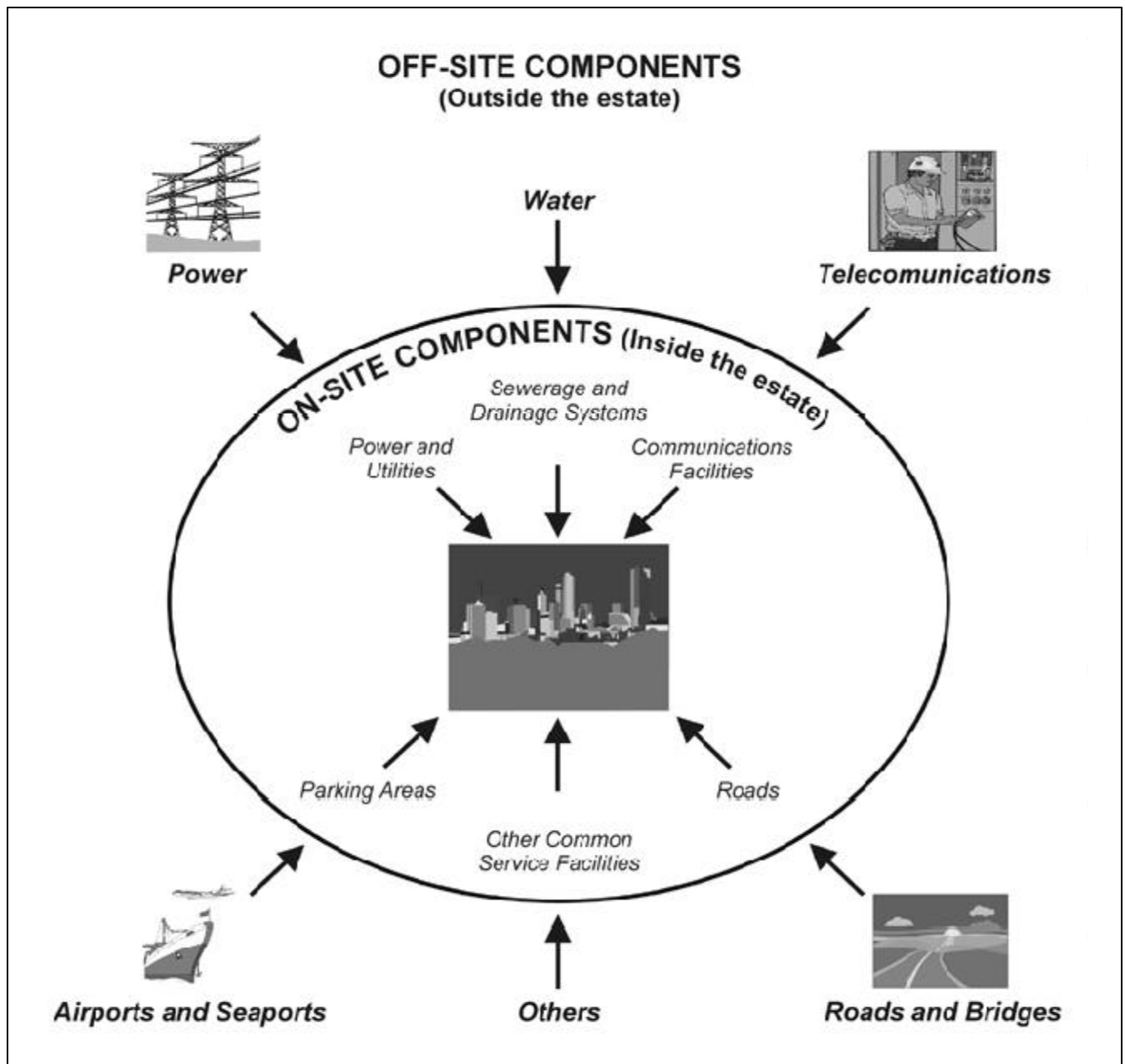
Technology

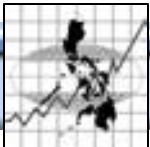
Estate Development Components

Estate development refers to the development of a tract of land, according to a comprehensive plan under a unified continuous management and with provisions for basic infrastructure and utilities. It involves on-site (within the estate) and off-site (outside the estate) development components.

On-site components pertain to the needs of establishments inside the estate. These include roads, parking areas, drainage and sewerage systems, buildings, power and utilities, other common service facilities, and related infrastructure. The estate developer or the private sector usually provides the on-site components.

Off-site components are infrastructure needed by the estate to enhance its accessibility and marketability to locators, developers, and other business players. These include farm-to-market roads, access roads, bridges, seaports, airports, telecommunications, power plants and waterworks, and other related infrastructure. Enterprising LGUs take responsibility for the facilitation of the construction and commercial operation of these facilities.





Policy and Practice

Laws Affecting Estate Development

The Special Economic Zone Act of 1995 or Republic Act 7916 provides the framework for the creation and development of economic zones or ecozones in the Philippines. The [Philippine Economic Zone Authority \(PEZA\)](#) is the entity mandated to establish, develop and manage ecozones. One of their fundamental thrusts *"...is to encourage LGUs and private sector developers to estab-*

lish new ecozones throughout the country."

Executive Order 226 refers to the guidelines set by the Board of Investments (BOI) for the registration of Industrial Estates, Science and Technology Parks, and Technology Incubation Centers.

The Local Government Code of 1991 or RA 7160 provides the framework for the decentralization of powers from the national gov-

ernment to the local government units so the latter can chart their own destiny and become self-reliant communities and effective partners in national development.

The National Physical Framework Plan (NPFP) reflects the importance of physical planning in the country's overall planning system and responds to the need for national land use and physical development.

Major Types of Estate Development

Start to ascertain your LGU's potential and readiness for estate development by going over these major types of estate development other LGUs have undertaken:

- **Ecozone** refers to selected areas with highly developed, or have the potential to be developed into agri-industrial, tourist, recreational, commercial, banking, investment, and financial centers whose boundaries are fixed or delimited by Presidential proclamations. An ecozone may contain all or any of the following: industrial estate, export processing zone, free trade zone, and tourist recreational centers.

Industrial Estate refers to a tract of land subdivided and developed according to a comprehensive plan under a unified continuous management and with provisions for basic infrastructure and utilities, with or without pre-built standard factory buildings and community of industries.

Export Processing Zone (EPZ) is a specialized industrial estate located physically and / or administratively outside the customs territory and predominantly oriented to export production. Enterprises located in export processing zones are allowed to im-

port capital equipment and raw materials free from duties, taxes, and other import restrictions.

- **Residential Estate/Subdivision** is a cluster of different housing types or structures for residential use, accessible through or serviced by a hierarchy of road network.

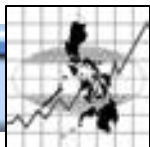
- **Commercial Center** is an area in which economic, social, cultural and administrative services of the town are concentrated. It is a complex of retail stores and related facilities, planned as a unified group that offers goods and

services for profit and the performance of various financial and office functions.

- **Mixed-Use Development** is a generic term intended to counter-balance that of separate or separatory land use as a catch-all for development types that represent a mixture of functions and activities within a specific area (Source: Mixed land use by Dmitri Porcos). It refers to an area where any two or more commercial, industrial, residential, or institutional activities are taking place.



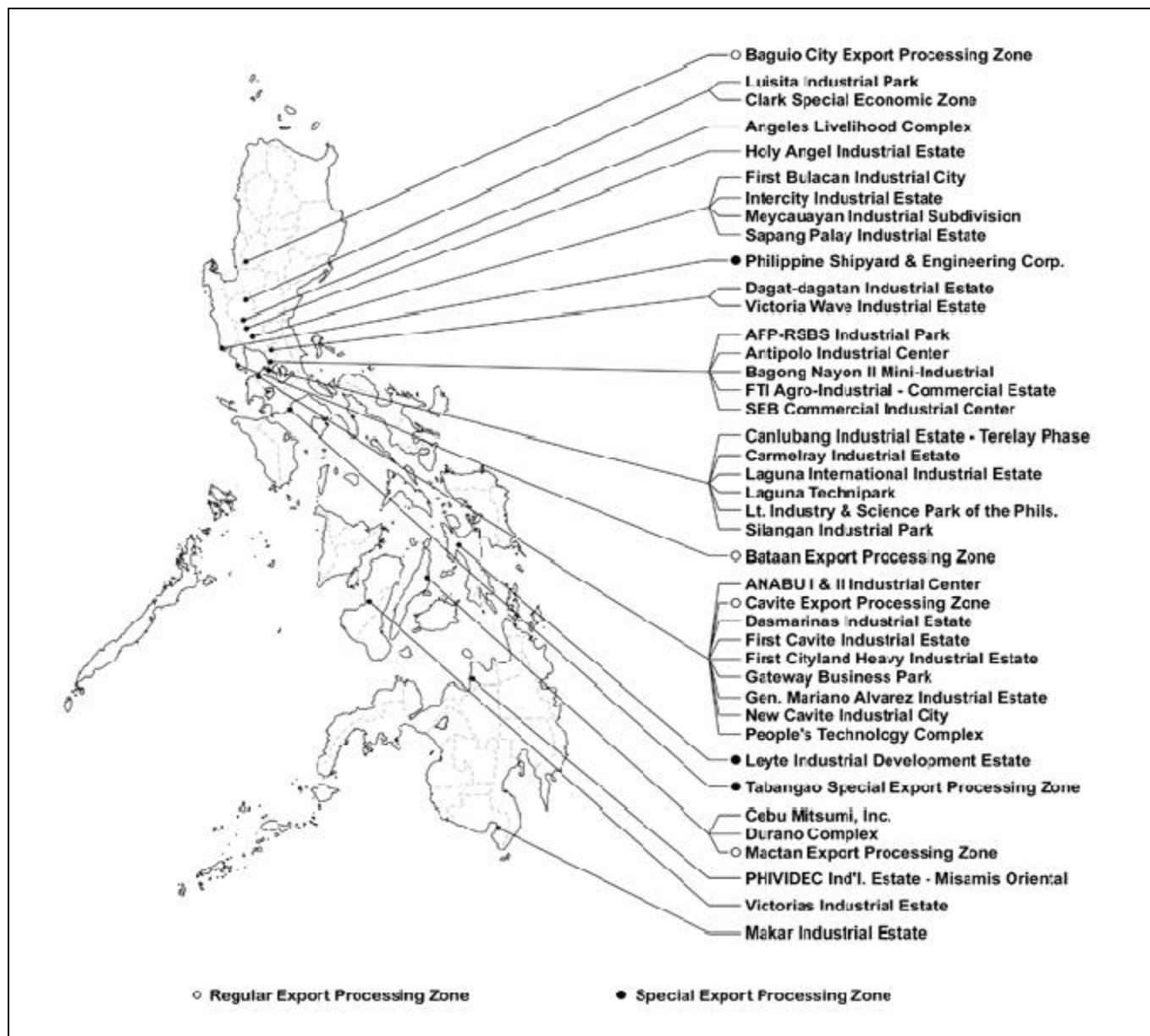
Manila Harbour Centre and economic zone with a port terminal, an industrial park, and a business district.



LGU Action Agenda

Learning Sites

The various types of estate development are best illustrated by the operational Industrial Estates indicated in the map below. Visiting any of these sites can be an excellent educational experience for LGUs.



Basic Reference Materials

- **The PEZA Law or RA 7916** (Special Economic Zone Act of 1995) and its Implementing Rules and Regulations (IRR), available at the [PEZA Office](#) located at Roxas Blvd. cor. San Luis St., Pasay City, Tel. 551-3432 / 36 / 38
- **RA 7160** or The Local Government Code of 1991
- **Executive Order 226** – [Board of Investments \(BOI\)](#) Guidelines for Registration of Industrial Estates, Science and Technology Parks, Technology Incubation Center, Tel. 890-1332 / 895-8322
- Copies of feasibility studies of selected Regional Agri-Industrial Growth Centers available at concerned LGUs, or at the [Department of Trade and Industry](#), Tel. 890-4948/890-5126
- **Status of RGCs, PIC, PIES** – DTI.